

JUSTIFICATION SHEET

FINAL

DEPARTMENT: Labor and Industrial Relations

TITLE: A BILL FOR AN ACT RELATING TO EMPLOYMENT.

PURPOSE: To establish a uniform definition of "employment" for the Department of Labor and Industrial Relations ("Department"). Currently, the determination of whether a person is an "independent contractor" or "employee" under the various labor laws is determined on a case by case basis and may vary among the different Divisions in the Department. The Department is striving to be consistent in determinations of whether an employment relationship exists.

MEANS: Add new sections to chapters 378, 387, 388, 390, and 398, Hawaii Revised Statutes, amends sections 386-73.5, 378-26, 378-31, 387-1, 388-1, 390-1, 392-21.5, and 398-1, Hawaii Revised Statutes, and section 43 and 46 of Act 202, Session Laws of Hawaii 2004.

JUSTIFICATION: The Department opines that a uniform definition of "employee" among the various Divisions and labor laws will enable the Department to consistently determine whether an individual is an "employee" or "independent contractor".

Impact on the public: The department will have one test for determining an employment relationship, making it easier for the public to understand.

Impact on the department and other agencies:
To establish a uniform definition of "employee" within the department.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: LBR-183.

LBR-05 (05)

OTHER AFFECTED
AGENCIES:

None.

EFFECTIVE DATE:

Upon approval.